

# ITEL

July 17, 1991

**IteI Rail Corporation**

550 California Street  
San Francisco, CA 94104  
(415) 984-4200

Hon. Sidney L. Strickland, Jr., Esq.  
Secretary  
Interstate Commerce Commission  
Washington, DC 20423

RECORDATION NO. 16412-C FILED 1005

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INTERSTATE COMMERCE COMMISSION

**Re: Amendment No. 1 to Schedule No. 2**

Dear Mr. Strickland:

On behalf of IteI Rail Corporation, the above instrument, in three (3) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$15 recordation fee.

Please record Amendment No. 1 to Schedule No. 2 under the Master Lease dated as of June 15, 1989, between IteI Rail Corporation and McCloud River Railroad Company, which was filed with the ICC on July 5, 1989, under recordation number 16412.

The parties to the aforementioned instrument are listed below:

IteI Rail Corporation (Lessor)  
550 California Street  
San Francisco, California 94104

McCloud River Railroad Company (Lessee)  
325 Main Street  
McCloud, California 96057

Amendment No. 1 to Schedule No. 2 replaces eighteen (23) boxcars bearing reporting marks MR 12008, 12010, 12012, 12019, 12037, 12041, 12042, 12044-47, 12049, 12062-66, 12073 and subject to three assignment agreements with Modesto and Empire Traction Company with cars bearing reporting marks MR 12100-12109 and 12111-12118. This Amendment also adds five (5) RBL boxcars bearing reporting marks MR 12119-12123.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

*patricia schumacker*

Patricia Schumacker

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Lot No. 2218-02

INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 1 TO SCHEDULE NO. 2

THIS AMENDMENT NO. 1 ("AMENDMENT") TO SCHEDULE NO. 2 dated August 23, 1990, to that certain Lease Agreement (the "Agreement") made as of June 15, 1989 between ITEL RAIL CORPORATION ("Lessor"), as successor in interest to ITEL Rail Corporation and ITEL Railcar Corporation, and MCCLOUD RIVER RAILROAD COMPANY ("Lessee"), is made this 26th day of June, 1991, between Lessor and Lessee.

RECITALS:

- A. Pursuant to Schedule No. 2 to the Agreement, Lessor leased to Lessee 494, 70-ton Plate C RBL boxcars bearing reporting marks and numbers MR 12000-12099 and MR 12124-12517 (the "Cars").
- B. With Lessor's consent, the Cars became subject to three boxcar assignment agreements dated June 18, 19 and 20, 1990 (the "MET Assignment Agreements") between Lessee as assignor and Modesto and Empire Traction Company ("MET") as assignee.
- C. Thirteen Cars bearing the reporting marks and numbers MR 12008, 12010, 12012, 12019, 12037, 12041, 12042, 12044-47, 12049 and 12073 were not remarked to Lessee's reporting marks, and the AAR found unacceptable for the service intended by MET the five Cars bearing the reporting marks and numbers MR 12062-12066.
- D. Lessee and MET desire to add to the June 20, 1990 MET Assignment Agreement as replacement Cars the 18 RBL boxcars bearing the reporting marks and numbers MR 12100-12109 and MR 12111-12118.
- E. Lessor and Lessee desire to add to the Agreement and Schedule No. 2 five RBL boxcars bearing the reporting marks and numbers MR 12119-12123.

Now, therefore, Lessor and Lessee agree as follows:


- 1. All capitalized terms defined in the Agreement and in Schedule No. 2 shall have the meanings defined therein when used in this Amendment, except that the term "Cars" as used herein shall only refer to the equipment described in this Amendment and Schedule No. 2 unless otherwise indicated.
- 2. MR 12008, 12010, 12012, 12019, 12037, 12041, 12042, 12044-47, 12049, and 12073 are deleted from Schedule No. 2.
- 3. MR 12100-12109 and MR 12111-12118 are deemed to have become subject to the terms of the June 20, 1990 MET Assignment Agreement and of Schedule No. 2 effective on the date each was remarked to bear Lessee's reporting marks.
- 4. MR 12062-12066 are removed from the June 20, 1990 MET Assignment Agreement effective June 20, 1990, and remain subject to Schedule No. 2.

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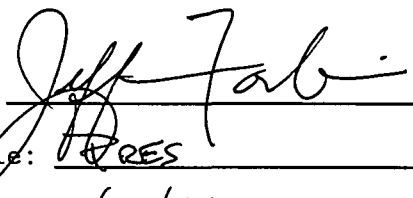
5. MR 12119-12123 are hereby added to Schedule No. 2 effective on the date each was remarked to bear Lessee's reporting marks and the total number of Cars described in Schedule No. 2 shall be changed from 494 to 499.
6. With respect to MR 12062-12066 and MR 12119-12123 only, Section 4 of Schedule No. 2 does not apply and, instead of Subsections 8.B. and 8.C. of Schedule No. 2, the following shall apply: "Lessor shall receive all Revenues earned by each Car while such Car is off the Eligible Lines."
7. Except as expressly modified by this or any other Schedule, all terms and provisions of the Agreement shall remain in full force and effect with respect to all Cars subject to the Agreement.
8. This Schedule may be executed by the parties hereto in any number of counterparts, and all counterparts taken together shall be deemed to constitute one instrument.

Each party, pursuant to due corporate authority, has caused this Agreement to be executed by its authorized officer, and each of the undersigned declares pursuant to 28 U.S.C. Section 1746 under penalty of perjury that the foregoing is true and correct and was executed on the date indicated below its signature.

ITEL RAIL CORPORATION

By:   
Title: Director, Sales Planning  
Date: 6/26/91

MCCLLOUD RIVER RAILROAD COMPANY

By:   
Title: PRES  
Date: 6/28/91